

121 FERC ¶ 61,256
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Questar Overthrust Pipeline Company

Docket No. RP08-71-000

ORDER ACCEPTING TARIFF SHEETS

(Issued December 13, 2007)

1. On November 15, 2007, Questar Overthrust Pipeline Company (Overthrust) filed tariff sheets¹ to implement a fuel gas reimbursement percentage (FGRP) provision that will replace its current equivalent volumes provision. As discussed below, the Commission accepts the tariff sheets to be effective December 15, 2007.

Background

2. On April 19, 2007 in Docket No. CP06-423-000,² the Commission certificated the construction and operation of approximately 77.2 miles of 36-inch diameter pipeline and two new compressor stations with 45,000 ISO maximum horsepower of compression by Overthrust (April 19th Order). The pipeline extends from the eastern terminus of Overthrust's transmission system located at Questar Pipeline Company's (Questar Pipeline) Kanda-Nightingale-Coleman Compressor Complex and terminates at the proposed interconnect with Rockies Express Pipeline (REX) near Wamsutter, Wyoming.

3. In Docket No. CP06-423-000, Overthrust included a change to section 35 of the General Terms and Conditions (GT&C) of its tariff to include a mechanism to recover and track gas use and lost and unaccounted-for gas from those customers using the new compression facilities. In its April 19th Order, the Commission directed Overthrust to

¹ First Revised Sheet No. 1, First Revised Sheet No. 4, First Revised Sheet No. 12, First Revised Sheet No. 21, First Revised Sheet No. 30, Second Revised Sheet Nos. 32–35, First Revised Sheet No. 90, First Revised Sheet No. 91, First Revised Sheet No. 96, First Revised Sheet Nos. 116–18, Original Sheet No. 119, and Original Sheet No. 120 to its FERC Gas Tariff, Second Revised Volume No. 1-A.

² *Questar Overthrust Pipeline Co.*, 119 FERC ¶ 61,069 (2007).

revise the mechanism, stating that while it is appropriate to establish a mechanism to recover and track fuel use on its system, “as drafted the proposal appears to apply to all shippers and not just the incremental shippers using the expansion capacity.”³

Overthrust’s Proposal

4. Overthrust proposes to add a new fuel gas reimbursement percentage (FGRP) mechanism to section 35 of its tariff’s GT&C. The mechanism will replace the existing “Equivalent Volumes”⁴ provision for recovering lost and unaccounted-for gas on the Overthrust system. The new FGRP provision recovers miscellaneous⁵ and lost and unaccounted-for (ML&U) gas from all shippers on the system, as well as fuel gas from shippers utilizing compression.

5. The new FGRP provision is based on a matrix of receipt and delivery points on the Overthrust system. Each receipt and delivery point combination is assigned a percentage of gas to be recovered in kind from shippers utilizing the individual receipt/delivery point combination. The percentage assigned to each receipt/delivery point combination is based on an ML&U component and a fuel component. A receipt/delivery point combination that does not utilize any compression facilities would only reimburse Overthrust with the ML&U percentage, whereas a combination that utilizes one or two compression stations would reimburse Overthrust with the fuel gas percentage for the compression station(s) used, in addition to the ML&U percentage.

6. Overthrust’s proposed FGRP mechanism also contains annual variance adjustments to provide for the amortization of over- and under-collected fuel gas and ML&U amounts.⁶ Overthrust states that it would calculate a different annual variance adjustment for each compression station and for ML&U. The variance adjustment would be based on the twelve-month period ending each May 31, and applied to monthly FRGP factors in subsequent the twelve-month period from September 1 through August 31. Overthrust states that it would calculate the adjustment factors by subtracting collected quantities of gas from the actual gas used or lost in the twelve months prior to each May 31, adding any unamortized quantities from the prior September 1 through August 31

³ *Id.* P 68.

⁴ Questar Overthrust Pipeline Company, FERC Gas Tariff, Second Revised Volume No. 1-A, Original Sheet No. 32.

⁵ Overthrust states that miscellaneous transmission system gas is gas used in connection with potential functions such as line heaters or utility fuel.

⁶ Overthrust Tariff, proposed section 35.4(c).

amortization period for each FGRP category, and dividing that sum by projected annual receipt quantities for each FGRP category.⁷

7. Additionally, the FGRP provision provides that Overthrust will file an annual FGRP report with the Commission by July 31 of each year. The report will illustrate how the monthly projected fuel percentages were reconciled with actual gas used in transmission system operation and lost or gained and unaccounted-for gas for the twelve months ended each May 31. It will also establish variance adjustments to be effective during the twelve-month period from September 1 through August 31. Overthrust states that this annual report will give shippers the opportunity to review or challenge any of the monthly FRGP factors.

8. As part of its filing, Overthrust proposes to post fuel gas and ML&U percentages on the Informational Postings section of its internet web site five calendar days prior to the beginning of each month rather than making filings with the Commission. It requests a waiver of 18 C.F.R. § 154.3 to do so. Overthrust states that because it can only manage minimal accumulation of over- and under-recovered system gas requirements, it is crucial that it have the ability to change its FGRP factors monthly to adapt to changing circumstances associated with the quantities of gas that are projected to flow and anticipated flow paths during a month.

Public Notice, Intervention and Comments

9. Notice of Overthrust's filing was issued on November 21, 2007. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 385.210 (2007). Pursuant to Rule 214, 18 C.F.R. § 385.214 (2007), all timely-filed motions to intervene and any motions to intervene out-of-time before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties. No protests were filed.

Discussion

10. The Commission directed Overthrust to revise its fuel gas recovery mechanism in the April 19th Order because the original fuel gas reimbursement mechanism appeared to apply to all shippers, not just those utilizing compression.⁸ Overthrust's revised mechanism complies with the Commission's directive to apply the FGRP only to those

⁷ In the case of the annual adjustment factors for the compressor stations, it would be the compressor station receipt quantities. In the case of adjustment factors for ML&U, it would be transportation receipt quantities.

⁸ *Questar Overthrust Pipeline Co.*, 119 FERC ¶ 61,069, at P 68 (2007).

shippers that utilize compression. Its use of a matrix to assign specific FGRP factors to individual receipt/delivery point combinations ensures that no shipper will be assigned an FGRP if it does not utilize compression. Accordingly, the Commission accepts Overthrust's FGRP mechanism.

11. With regard to Overthrust's request for waiver of 18 C.F.R. § 154.3 to post FGRP factors on its internet web site, the Commission finds good cause to waive 18 C.F.R. § 154.3 in this circumstance. Constraints on Overthrust's system allow it to manage only minimal over- and under-recoveries of system gas. Because of such constraints, Overthrust requires the flexibility to make monthly changes to FGRP factors. Additionally, Overthrust is required to file with the Commission an annual fuel reimbursement report where shippers can review the FGRP factors influencing the past year's monthly postings regarding changes in the FGRP. These considerations, the fact that no entity has contested this measure, and the fact that we have approved such a measure before,⁹ provide sufficient basis for the Commission to find that the posting provision, as filed, is appropriate for Overthrust's FGRP mechanism.

The Commission orders:

(A) The Commission accepts Overthrust's tariff sheets (listed in footnote 1), as filed.

(B) The Commission grants waiver of 18 C.F.R. § 154.3 to permit Overthrust to make monthly adjustments to its FGRP, as discussed above.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

⁹ *Kern River Gas Transmission Co.*, 87 FERC ¶ 61,228 (1999).